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Oakland Tribune, 10/10/95, p. 1

Oakland, county muscle in on Coliseum directors' turf

By David K. Li and Stacey Wells

STAFF WRITERS

OAKLAND — East Bay officials seized more control of the independent Coliseum Board of Directors on Tuesday, giving themselves a stronger hand in running the sports complex.

In separate meetings, the Oakland City Council and Alameda County Board of Supervisors ratified a controversial agreement that creates a new panel of city and county officials to oversee the Oakland Coliseum and Arena.

But in a surprise move, the makeup of that panel was changed late Tuesday by the City Council to add a new seat for the Coliseum president.

If approved by county supervisors, the third, equally powerful, slot could mean new life for embattled Coliseum board president George Vukasin, who appeared to be on his way out.

The council's proposal mirrors a compromise floated in recent weeks that called for a three-member governing panel comprised of the Coliseum board presi-

Please see **Coliseum**, A-9

Coliseum: Vote places more elected officials on board

Continued from A-1

dent, the city manager and county administrator. The proposal was scrapped last weekend by city and county officials, who were angry with efforts by Vukasin to protect the board's autonomy.

A relieved Vukasin said Tuesday night he believes the compromise is good for the coliseum.

"It makes all the sense in the world for the three of us to work together," said Vukasin. Asked if he thinks the supervisors will approve the new panel, he said, "I think the mayor is a strong leader and can be very persuasive."

Reached at home Tuesday night, Supervisor Gail Steele was surprised at the compromise.

"We discussed that pretty thoroughly," she said, referring to the Coliseum board president's role. "It's possible we might be able to negotiate this without having to go back to a formal vote."

Adding the third seat was proposed by Councilmember Dick Spees (Montclair-Laurel) and was passed in a 7-2 vote. Councilmembers Ignacio De La Fuente (Fruitvale-San Antonio) and Sheila Jordan (North Oakland) cast dissenting votes.

The Coliseum has been run by the 10-member Coliseum Board of Directors for three decades,

with the city and county having final say on major issues such as the approval of stadium leases.

Under the new agreement, the board will remain intact but with less authority. A new chief executive officer would be appointed by the governing panel to run the complex. The panel would also sign off on any large financial transactions, major negotiations, labor talks or capital projects. Less significant daily operations would be overseen by Coliseum board members.

Earlier in the day, county supervisors approved the contract 4-1, with Supervisor Ed Campbell opposed.

Campbell again called for Vukasin's immediate resignation and said the stadium board should be dissolved and reconfigured with business people whose interests, he said, extend beyond amassing power.

Vukasin was unusually reserved during Tuesday's board meeting. He put aside a nine-page letter when he approached the podium and instead made a brief statement.

"I can assure you that the board of the Oakland-Alameda County Coliseum will do everything in its power to ensure that the final agreement is successful," he said.

Outside of supervisors' presence — and in the letter he left behind — Vukasin said changes in the contract are not monumental, but have some Coliseum board members concerned. He said the current makeup of the board works, but conceded it is the prerogative of the city and county to make changes.


Regardless of the county's position on the late city proposal, the Coliseum board itself will undergo a major face lift.

The new agreement calls for the city and county to appoint two members each to a 10-member board.

Board members will be limited to 10 years of service and can serve as officers of the board for only two consecutive years, preventing a consolidation of power. The Coliseum's 10-member board now has just one city representative and county representative.

Previously, eight of the 10 Coliseum board members have been selected by the board itself, with the other two positions filled by the city and county. Most of the directors have been business executives, serving their terms as volunteers.

Vukasin has taken a leading role in setting policy for the complex. The Coliseum board is expected to vote on the contract this morning.



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Oakland Tribune, 10-19-95

County leaves Coliseum boss out in the cold

By Stacey Wells
STAFF WRITER

OAKLAND — Alameda County supervisors Wednesday refused to endorse a city proposal that would have extended an olive branch to embattled Coliseum board President George Vukasin.

Supervisors said they will not include Vukasin in a new executive panel charged with overseeing the Oakland Coliseum and Arena. The proposal, endorsed late Tuesday by a majority of the Oakland City Council, would have allowed Vukasin to retain some of his power by joining the city manager and county administrator in a new governing troika.

"If we don't agree to do it, it's not going to happen — and my board isn't going to vote for that," said Supervisor Gail Steele, board president.

Vukasin took the news in stride, but would not comment on his fu-



Vukasin

■ Another black(out) day in Oakland Raiders history.

B-1

ture with the Coliseum. "It's their will and it's their wish, and I have no comment," he said.

The Coliseum complex is home to the Oakland A's, the Oakland Raiders and the Golden State Warriors.

The county on Tuesday approved a new operating agreement that gives the city and county — both financially responsible for the Coliseum — a stronger hand in running the sports complex.

The City Council approved the agreement later that night.

Councilmember Dick Spees (Montclair-Laurel) then won support for a nonbinding change to the agreement that would have added a third seat to the new executive committee. Under the agreement, the committee is to name a chief executive officer to run the complex and sign off on large financial transactions, major negotiations, labor talks and capital projects.

Please see **Coliseum**, A-11

Coliseum: Final change disturbs some supervisors

Continued from A-1

The third member of the executive committee would have been Vukasin, who has controlled the Coliseum board for 12 years.

City Hall sources said the intent behind the proposal was to offer Vukasin a political bouquet and end a public fight over Coliseum management. But the council conceded that its request would die if the supervisors did not agree.

Supervisors on Wednesday said they were disturbed by the council's last-minute change and will ignore the proposal. They also said the executive committee should include only those who are directly accountable for the public funds used to operate and maintain the Coliseum and Arena — representatives of the city and county.

"I'm not going to support it," Supervisor Keith Carson said. "We entered into this in good faith with the (council), thinking we were having a dialogue."

Supervisor Mary King said, "To have our partners in the agreement, without any discussion ... simply cast a vote and then throw it back to us is very disconcerting to me. I am at best baffled and at most disturbed."

In addition to creating the executive committee, the new agreement revamps the independent Coliseum board of directors. The city and county each will have two appointments to the 10-member Coliseum board instead of one. The

agreement also establishes term limits for Coliseum officers and board members, who will not be allowed to serve more than 10 years. Any board member who has served 10 or more years by Jan. 1, 1998, will be required to step down then.

The Coliseum board unanimously approved the new agreement Wednesday, though the directors have little actual power over their fate. The agreement becomes effective Monday. The previous agreement had not been modified for three decades.

Under ideal conditions, Spees said, county supervisors would have debated his proposal during their meeting Tuesday morning. But he conceded that even council support for the compromise did not come together until later that day.

Spees' proposal resurrected a plan scrapped last weekend by city and county officials. He told Mayor Elihu Harris hours before the council meeting that he planned to revive the compromise, admitting it would trigger an uncomfortable political procedure by throwing the issue back to supervisors for reconsideration.

Councilmember Ignacio De La Fuente (San Antonio-Fruitvale) said it was unfair to the supervisors for the council to rewrite the arrangement unilaterally at the last minute.

Staff writers Craig Staats and David K. Li contributed to this report.



October 17, 1995

HONORABLE CITY COUNCIL AND
BOARD OF SUPERVISORS
Oakland, CA

Dear City Council and Board Members:

The staffs of the City and County are recommending that the City Manager and County Administrator operating as the Oakland Alameda County Coliseum Authority (JPA) enter into an amended operating agreement with the Oakland Alameda County Coliseum, Inc. for the day-to-day operation of the Oakland Alameda County Coliseum.

The proposed amended Operating Agreement is intended to protect the Coliseum's competitive position in the entertainment facilities market and assure accountability to the public entities that own the facility. It also reconciles issues related to the governance structure, provides for professional day-to-day operations of the facility, and secures the most responsible fiscal management oversight for the Coliseum in the context of recent and prospective financial obligations supporting tenant relationships and capital improvements to the Coliseum complex.

The proposed amended Operating Agreement addresses the management of the Coliseum with the following provisions:

- there will be a Chief Executive Officer (CEO) who serves at the pleasure of the JPA for management oversight of the facility.
- there will be a management agreement among the City and County (JPA) and the Coliseum for the purpose of day-to-day operations of the Coliseum.
- the CEO will report to the Coliseum Board for the purposes of day-to-day operations.

- the CEO will also report to the JPA for purposes on major financial transactions, licensing and franchising of major tenants, major labor issues and capital projects.

The amended Operating Agreement is specific to issues involving governance as follows:

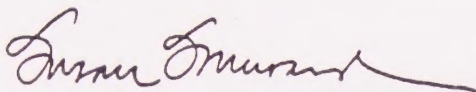
- The Coliseum Board will consist of 10 members:
- Two each appointed by the City and the County and six by the Coliseum Board.
- The next four expired terms (January 1996) will be appointed by the City and the County, 1 each for a two year and a four year term in order to achieve staggered terms.
- Members shall not serve more than 10 consecutive years; the term of any member who has served more than 10 consecutive years as of January 1, 1998 shall automatically expire on January 1, 1998.
- Officers will be elected to one year terms, may serve two consecutive terms only, and must be elected by a majority of the Board plus one.
- City and county may designate representatives who attend and participate in all non-executive session meetings of the Board.
- A member of the Board shall be appointed as liaison to the JPA.
- Board membership should reflect the geographic and ethnic diversity of the County.

Other provisions of this proposed amended agreement which may be of note are:

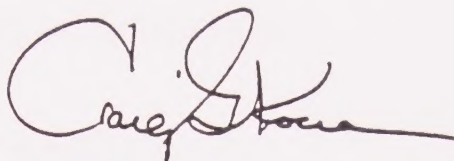
- The Board must give 10 days prior notice to the JPA before it commences any license or franchise negotiations.
- The Board, as operator, supervises, directs and controls the day-to-day operations of the complex.
- Operator is responsible to use all reasonable efforts to use local vendors, contractors, workers, concessionaires, suppliers, and to encourage its licenses and contractors to do the same.
- That there will be an annual management plan and budget submitted to the JPA by the operator.
- The agreement is for a 10-year term and may be terminated by the JPA or the Operator with six months notice.
- JPA must provide prior consent to any terms and conditions of any sublicense.

With the above provisions in place, the City Manager and County Administrator recommend that the respective boards approve the action of the JPA to execute the amended Operating Agreement with Oakland-Alameda County Coliseum, Inc.

Respectfully submitted,



Susan S. Muranishi
Interim County Administrator



Craig G. Kocian
City Manager

OPERATING AGREEMENT

between

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

and

OAKLAND-ALAMEDA COUNTY COLISEUM, INC.

October 17, 1995

TABLE OF CONTENTS

	<u>Page</u>
1. PARTIES	1
2. FACTS	1
2.1 Coliseum Complex	1
2.2 Ground Lease	1
2.3 Assignment Agreement	1
2.4 Management Agreement	1
2.5 Purpose	2
3. DEFINITIONS	2
3.1 General	2
3.1.1 Athletics License Agreement	2
3.1.2 Bank	2
3.1.3 Budget	2
3.1.4 Capital Expenditures	2
3.1.5 Complex	2
3.1.6 Concession	2
3.1.7 Depositary	3
3.1.8 Equipment	3
3.1.9 Existing License Agreements	3
3.1.10 Fiscal Year	3
3.1.11 Gross Receipts	3
3.1.12 Improvements	3
3.1.13 License Agreement	4
3.1.14 Licensee	4
3.1.15 Reserve Fund	4
3.1.16 Operating and Maintenance Expenses	4

OPERATING AGREEMENT

between

OAKLAND-ALAMEDA COUNTY COLISEUM AUTHORITY

and

OAKLAND-ALAMEDA COUNTY COLISEUM, INC.

October 17, 1995

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Phone #		Phone #			
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TABLE OF CONTENTS

	<u>Page</u>
1. PARTIES	1
2. FACTS	1
2.1 Coliseum Complex	1
2.2 Ground Lease	1
2.3 Assignment Agreement	1
2.4 Management Agreement	1
2.5 Purpose	2
3. DEFINITIONS	2
3.1 General	2
3.1.1 Athletics License Agreement	2
3.1.2 Bank	2
3.1.3 Budget	2
3.1.4 Capital Expenditures	2
3.1.5 Complex	2
3.1.6 Concession	2
3.1.7 Depositary	3
3.1.8 Equipment	3
3.1.9 Existing License Agreements	3
3.1.10 Fiscal Year	3
3.1.11 Gross Receipts	3
3.1.12 Improvements	3
3.1.13 License Agreement	4
3.1.14 Licensee	4
3.1.15 Reserve Fund	4
3.1.16 Operating and Maintenance Expenses	4
3.1.17 Operation and Maintenance Fund	5
3.1.18 Owners	5
3.1.19 Prior Operating Agreement	5
3.1.20 Raiders Agreements	5
3.1.21 Raiders License Agreement	5
3.1.22 Real Property	5
3.1.23 Revenue Fund	6
3.1.24 Special Event	6
3.1.25 Stadium Capital Improvements	6
3.1.26 Term	6
3.1.27 Warriors License Agreement	6
3.1.28 Other Definitions	7
4. LICENSE OF COMPLEX; OPERATOR'S RIGHT TO SUBLICENSE	7
4.1 Grant of Master License	7

4.2	Right to Sublicense	7
4.3	Ratification of Existing License Agreements	8
4.4	Raiders Agreements	8
4.5	Future License Negotiations	8
4.6	Special Events and Concessions	9
5.	OPERATIONS AND MANAGEMENT OF COMPLEX	9
5.1	Duties of Operator	9
5.2	Duties of JPA	11
5.3	Indemnification and Quiet Enjoyment	12
6.	FISCAL MATTERS	12
6.1	Payments to Depositary	12
6.2	Budget	13
6.3	Statements, Books and Records	14
6.4	Deficit Funding	14
6.5	Revision of Rates and Charges	15
7.	TERM	15
7.1	Commencement of Term	15
7.2	Termination by Operator	15
7.3	Payment Upon Termination	15
7.4	Termination by JPA	16
8.	RESERVATION OF CERTAIN RIGHTS	16
8.1	Reservation by JPA	16
8.2	Effective Period of Reservation	16
8.3	Rights Reserved	16
9.	GENERAL PROVISIONS	16
9.1	Operator Governance	16
9.2	Notices	17
9.3	Attorneys' Fees	18
9.4	Right of Entry	18
9.5	Section Headings	18
9.6	Binding Effect and Governing Law	18
9.7	Execution in Counterparts	18

AMENDED OPERATING AGREEMENT1. PARTIES

This Amended Operating Agreement ("Agreement") is entered into this 12th day of September, 1995, as amended this 17th day of October, 1995, between Oakland-Alameda County Coliseum Authority, a joint powers authority established by the City of Oakland, a municipal corporation and a charter city duly organized and existing under the laws and Constitution of the State of California ("City") and the County of Alameda, a political subdivision of the State of California ("County") pursuant to the Amended and Restated Joint Powers Agreement dated as of July 1, 1995 ("JPA") and the Oakland-Alameda County Coliseum, Inc., a California nonprofit public benefit corporation ("Operator").

2. FACTS

2.1 Coliseum Complex. City and County own the Oakland-Alameda County Coliseum complex, consisting of certain real property located within City's municipal limits, improvements thereon including an arena, stadium, exhibit hall, parking area and related structures, roadways, accessways and other improvements and certain equipment and other personal property used in the operation and maintenance of the Oakland-Alameda County Coliseum complex.

2.2 Ground Lease. Pursuant to a lease dated as of August 1, 1995 (the "Ground Lease") between City and County, as lessor, and the Oakland-Alameda County Coliseum Financing Corporation, an instrumentality of City and County duly organized and existing under the laws of the State of California ("Financing") as lessee, City and County have demised the Complex (as defined below) to Financing for a term of 40 years.

2.3 Assignment Agreement. To provide for the financing of certain improvements to and operating expenses relating to the Complex, Financing has assigned the Ground Lease to JPA pursuant to an Assignment Agreement dated as of August 1, 1995, between Financing, as assignor, and JPA, as assignee (the "Assignment Agreement").

2.4 Management Agreement. Pursuant to a Management Agreement of even date herewith, the City and County as Owners of the Complex and the JPA as manager, have set forth terms and conditions upon which JPA will manage the Complex during the term of this Agreement.

2.5 Purpose. In consideration of the facts stated above and the covenants of the parties set forth below, JPA and Operator now enter into this Agreement for the purpose of setting forth the terms and conditions upon which Operator will, acting as an independent contractor, operate, manage and maintain the Complex during the term of this Agreement.

3. DEFINITIONS

3.1 General. As used in this Agreement, the following terms shall have the following meanings unless the context or provisions of this Agreement clearly indicate otherwise:

3.1.1 Athletics License Agreement. "Athletics License Agreement" means the License Agreement dated on or about September 25, 1986, between Operator, as licensor, and Athletics, as licensee, as modified and amended by Amendment to License Agreement dated April 2, 1987, Second Amendment to License Agreement dated as of March 1, 1989, Third Amendment to License Agreement dated as of April 1, 1989, Fourth Amendment to License Agreement dated October 31, 1990 and Fifth Amendment to Stadium License Agreement dated April 16, 1994.

3.1.2 Bank. "Bank" means any financial institution providing credit support for the Bonds.

3.1.3 Budget. "Budget" means the budget to be prepared by Operator for each Fiscal Year during the Term showing the anticipated revenues and expenditures, including Capital Expenditures, for such Fiscal Year due to the operation, management, maintenance and control of the Complex by Operator pursuant to this Agreement. With regard to the Fiscal Year in which this Agreement becomes effective, "Budget" shall mean the budget adopted pursuant to Section 6 of the Prior Operating Agreement for the "budgetary period" corresponding to such Fiscal Year, as may be modified by the parties hereto to reflect anticipated Capital Expenditures.

3.1.4 Capital Expenditures. "Capital Expenditures" means any expenditures by Operator pursuant to this Agreement which, under generally accepted accounting principles, may not be expensed during the Fiscal Year in which such expenditures are made.

3.1.5 Complex. "Complex" means and collectively refers to the Real Property, the Improvements and the Equipment.

3.1.6 Concession. "Concession" means a license granted for the management of parking at the Complex or the sale

of food, beverages, programs, souvenirs and other merchandise to the general public at the Complex.

3.1.7 Depository. "Depository" means Bank of America, NT&SA, or such other bank or trust company as may be mutually selected by Operator and JPA.

3.1.8 Equipment. "Equipment" means all furniture, furnishings, trade fixtures, equipment and other tangible personal property used in connection with the operation, management, maintenance and control of the Complex, excluding only such of those items as are supplied by Licensees in connection with their use of the Complex.

3.1.9 Existing License Agreements. "Existing License Agreements" means the Athletics License Agreement, the Warriors License Agreement, the Raiders License Agreement and all other License Agreements in existence on the Effective Date.

3.1.10 Fiscal Year. "Fiscal Year" means a twelve (12) month period beginning on the first day of November and ending on the last day of October. JPA and Operator will mutually determine if it is in their best interests to change the operating fiscal year to July 1.

3.1.11 Gross Receipts. "Gross Receipts" means the total gross revenues received by Operator from the operation of the Complex, excluding revenues which must be paid by Operator to the Revenue Trustee pursuant to the Raiders Master Agreement and the Revenue Trust Agreement calculated on a Fiscal Year in accordance with generally accepted accounting principles. Except revenues required to be deposited with the Revenue Trustee, Gross Receipts shall include, without limitation, all income or revenues derived under each License Agreement or from the sale of any merchandise or other personal property or services, including parking and advertising, in, on, about or from the Complex. However, Gross Receipts shall not include any revenues received by Operator on a contingent basis until all contingencies affecting Operator's right to receipt thereof have been satisfied or removed and any uncollected or uncollectible checks, charges or other credit arrangements. With regard to the Fiscal Year in which this Agreement becomes effective, "Gross Receipts" shall include all "gross receipts" (as defined in Section 4(a) of Prior Operating Agreement) during the "budgetary period" corresponding to such Fiscal Year.

3.1.12 Improvements. "Improvements" means all buildings, structures, fixtures and other improvements of every kind and nature constructed upon or affixed to the Real Property during the Term, including, without limitation, any of the

foregoing which are owned by Licensees and the Stadium Capital Improvements. Without limiting the generality of the foregoing, the Improvements include the arena, stadium, exhibit hall, parking areas, roadways, entrances, exits, sidewalks, loading areas and other accessways as generally shown and depicted on the plot plan of the Complex which is attached as Exhibit A to this Agreement. As to those Improvements which are owned by Licensees, this Agreement vests in Operator all rights to use, operate, manage and control such Improvements as are granted or reserved to Owners, JPA or Operator under any agreements with the Licensee owning such Improvements.

3.1.13 License Agreement. "License Agreement" means any agreement between Operator, as licensor, and a Licensee permitting the Licensee to use the facilities of the Complex at a specified time or times for the staging of sporting events, concerts, trade shows and other similar activities, or for the sale of food, beverages and other merchandise and services, including parking, in connection with any events held at the Complex. The term "License Agreements" encompasses the Existing License Agreements and all future License Agreements entered into during the Term. The term "license" is sometimes used in this Agreement to refer to the grant by Operator to a Licensee of the right to sublicense the use of the facilities of the Complex.

3.1.14 Licensee. "Licensee" means any person or entity holding a license granted by Operator to use the Complex or any portion thereof during the Term.

3.1.15 Reserve Fund. "Reserve Fund" means the fund to be established and maintained by Depositary and into which Depositary will deposit, pursuant to 6.1.2 below, any surplus funds remaining in the Revenue Fund after making the required deposits into the Operation and Maintenance Fund. With regard to the Fiscal Year in which this Agreement becomes effective, the "Reserve Fund" shall include all funds allocated to the Net Revenue Fund (as such term is defined in Section 3 of the Prior Operating Agreement) for the "budgetary period" corresponding to such Fiscal Year.

3.1.16 Operating and Maintenance Expenses. "Operating and Maintenance Expenses" means and includes all normal and reasonable operating and maintenance expenses paid or incurred in connection with the operation of the Complex, which are approved by JPA, including without limitation, wages and salaries, utilities, supplies, repairs, replacements, taxes, insurance, auditing fees, legal fees, all expenses of Operator in the observance and performance of its obligations under this Agreement, all administrative, general and managerial expenses and promotional and advertising expenses, any Capital

Expenditures and such other, proper and necessary expenses as are customary in the operation of a facility comparable to the Complex (including all expense of obtaining, or attempting to obtain, new licensees). The foregoing expenses shall be considered approved, without further action, by JPA to the extent such expenses were contemplated by and included in the Budget for the Fiscal Year in which such expenses were incurred, or, if not so contemplated and included, if such expenses are specifically approved in advance by the JPA as expenses proper and necessary in the operation of the Complex.

3.1.17 Operation and Maintenance Fund.

"Operation and Maintenance Fund" means the fund to be established and maintained by Operator pursuant to Section 6.1.1 below. With regard to the Fiscal Year in which this Agreement becomes effective, the "Operating and Maintenance Fund" shall include all funds allocated to the Operation and Maintenance Fund and Operating Reserve Fund (as such term is defined in Sections 3(a) and (b) of the Prior Operating Agreement) for the "budgetary period" corresponding to such Fiscal Year.

3.1.18 Owners. "Owners" means, collectively,

City and County as the holders of fee title to the Complex, and as holder of the leasehold estate created by the Master Lease Agreement.

3.1.19 Prior Operating Agreement. "Prior

Operating Agreement" means the Operating Agreement entered into on October 21, 1963, between City, County and Operator for the purpose of authorizing Operator to operate and manage the Complex.

3.1.20 Raiders Agreements. "Raiders Agreements"

means the agreements, each dated August 7, 1995, by and among Raiders, City, County, JPA, Financing and Operator, and certain of them, including the Master Agreement (the "Raiders Master Agreement"), the Revenue Trust Agreement by and among Raiders, City, County, JPA, Financing and Operator (the "Revenue Trust Agreement"), the Loan Agreement between Financing and Raiders (the "Raiders Loan Agreement"), the Operating License between Operator and Raiders, and the Stadium Capital Improvements License and Design and Construction Coordination Agreement between Operator and Raiders.

3.1.21 Raiders License Agreement. "Raiders

License Agreement" means the Operating License between Operator, as licensor, and Raiders, as licensee, dated August 7, 1995.

3.1.22 Real Property. "Real Property" means:

(1) all of the land located adjoining the Nimitz Freeway at

Hegenberger Road and 66th Avenue in the City of Oakland, County of Alameda, State of California, as described in Exhibit B attached to this Agreement; (b) all other land which during the Term may be acquired (whether by purchase, lease or otherwise) by Owners, or any of them, for additional parking facilities or for other uses or purposes relating to the operation of the Complex; and (c) all rights of ingress and egress, riparian rights, air rights, easements and appurtenances belonging or appertaining to any such land.

3.1.23 Revenue Fund. "Revenue Fund" means the fund to be established and maintained by Depositary, and into which Depositary shall, pursuant to Section 6.1 below, deposit all Gross Receipts paid to Depositary by Operator. With regard to the Fiscal Year in which this Agreement becomes effective, the "Revenue Fund" shall include all funds allocated to the Revenue Fund (as such term is defined in Section 3 of the Prior Operating Agreement) for the "budgetary period" corresponding to such Fiscal Year.

3.1.24 Special Event. "Special Event" means any licensed use of the Complex, or any portion thereof, where (a) the Licensee's rights of use do not continue for (i) more than fifteen (15) consecutive days or (ii) more than a total of sixty (60) days during any twelve (12) month period, and (b) the license term does not exceed twelve (12) months.

3.1.25 Stadium Capital Improvements. "Stadium Capital Improvements" means the improvements to be made to the stadium by Raiders under the terms of the Stadium Capital Improvement License and Design and Construction Coordination Agreement dated as of the date hereof.

3.1.26 Term. "Term" means the period this Agreement shall remain in effect, as determined pursuant to Section 7 below.

3.1.27 Warriors License Agreement. "Warriors License Agreement" means the License Agreement dated as of May 10, 1986, between Operator, as licensor, and Warriors, as licensee, as amended by First Amendment to License Agreement dated May 22, 1986, Second Amendment to License Agreement dated November 6, 1986, the Memorandum dated October 29, 1987 to Steven Lampl from Robert G. Quintella, Third Amendment to License Agreement dated October 28, 1988, Fourth Amendment to License Agreement dated July 31, 1989, and Fifth Amendment to License Agreement dated September 20, 1989, the Exercise of Extensions and Sixth Amendment to License Agreement dated February 26, 1990, the letter dated June 4, 1992, whereby Warriors exercised its option to extend the term of the License Agreement through

June 30, 1994, the Exercise of Options and Seventh Amendment to License Agreement dated March 12, 1995, Extension of Option Term dated June 20, 1995 and Eighth Amendment to License Agreement dated June 20, 1995.

3.1.28 Other Definitions. The terms "Agreement" and "Operator" shall have the meanings given them in Section 1 of this Agreement. The term "Ground Lease" and "Assignment Agreement" shall have the meanings given it in Section 2.2 and Section 2.3, respectively, of this Agreement. Unless the context or terms of this Agreement clearly indicate otherwise, the definitions contained in Exhibit A to the Raiders Master Agreement dated August 7, 1995, and as the same may be amended from time to time, shall govern the interpretation of all other capitalized terms contained herein and such definitions are hereby incorporated herein by reference.

4. LICENSE OF COMPLEX; OPERATOR'S RIGHT TO SUBLICENSE

4.1 Grant of Master License. JPA hereby grants to Operator an exclusive master license which vests in Operator the sole right, power and authority to operate, manage, maintain and control the use of the Complex during the Term in accordance with the terms and conditions of this Agreement. The license granted by this Agreement shall be prior and superior to any other license affecting the Complex and shall be construed to encompass all rights to use and control the use of the Complex as may be necessary or appropriate for the performance of Operator's duties hereunder.

4.2 Right to Sublicense. During the Term, Operator shall have full right, power and authority to grant sublicenses authorizing the use of the Complex or any portion thereof for any lawful purpose consistent with the terms of this Agreement, on such terms and conditions as Operator may from time to time deem appropriate, except that Operator shall not agree to any terms and conditions with respect to or grant any of the following licenses without first obtaining JPA's prior written consent:

4.2.1 Any license for a use of the Complex which would conflict with or negatively affect the coverage under any insurance policy insuring the Complex.

4.2.2 Any license that would conflict with the rights of use granted to any other Licensee. For purposes of determining whether such a conflict will exist, it shall be assumed that the Licensee thereunder will perform in accordance with the terms, covenants and conditions of the License Agreement applicable to such Licensee.

4.2.3 Any license for a use which is not a Special Event or a Concession.

4.2.4 Any license that would conflict with the terms of the Raiders Agreements.

4.2.5 Any license of all the rights of the Operator hereunder.

4.3 Ratification of Existing License Agreements. JPA acknowledges that, pursuant to the authority granted by the Prior Operating Agreement, Operator has entered into the Existing License Agreements. JPA hereby ratifies, approves and confirms the Existing License Agreements and all actions taken by Operator thereunder consistent with the Prior Operating Agreement. During the Term of this Agreement, JPA expressly authorizes Operator to observe, perform and discharge all obligations imposed on Operator, as licensor, under the Existing License Agreements or other agreements, including but not limited to the Memorandum of Understanding with AIG, a limited liability company as the purchaser of the Oakland Athletics baseball team or the amended License Agreement executed pursuant to such Memorandum of Understanding.

4.4 Raiders Agreements. JPA hereby expressly authorizes Operator to observe, perform and discharge all obligations imposed on Operator pursuant to the Raiders Agreements, including all obligations of Operator, as licensor, under the Raiders License Agreement. In this regard, Operator shall cause the Stadium Capital Improvements that will be owned by Raiders to be constructed and JPA will transfer funds it receives under the Revenue Trust Agreement to Financing Corporation for the purpose of making loans to the Raiders under the Raiders Loan Agreement to pay for construction costs and fees. Notwithstanding the foregoing, Operator's responsibilities pursuant to the Raiders Agreements shall be limited to those reasonably related to its role as manager and operator of the Complex. The license granted to Operator under this Agreement shall include all rights to use, operate, manage and control the Stadium Capital Improvements to the extent such rights are vested in Owners, JPA or any of them.

4.5 Future License Negotiations. Operator shall have full right, power and authority to negotiate: (a) any future License Agreements for use of the Complex, or any portion thereof, and modifications thereto; (b) any future modifications to the Existing License Agreements; and (c) any future modifications to the Raiders License Agreement; provided, however, that the Operator shall not commence any such negotiations without ten (10) business days prior written notice

to the JPA. Promptly after such notice, the JPA shall notify the City Manager and County Administrator who shall have the right to fully participate in such negotiations. No License Agreement or modification thereto shall be executed by Operator without the prior written consent and approval of JPA which approval shall be given if so directed by the City and County. Except as otherwise provided in Section 4.6 below, Operator shall seek the advice and approval of JPA at all appropriate stages in any negotiations with any Licensee or prospective Licensee in an effort to secure a license arrangement that is satisfactory to JPA.

4.6 Special Events and Concessions. Operator shall have full right, power and authority to license the Complex or any portion thereof for Special Events and Concession. JPA's consent shall not be required for any Special Events or Concession License Agreement so long as the same does not conflict with the provisions of Sections 4.2.1 through 4.2.5 above.

5. OPERATIONS AND MANAGEMENT OF COMPLEX

5.1 Duties of Operator. During the Term, Operator shall supervise, direct and control the operation, management and maintenance of the Complex and the use thereof, acting as an independent contractor and not as an agent of JPA, subject to the terms of this Agreement. In this regard, Operator shall have reasonable discretion in the operation, maintenance and control of the Complex as may be needed to efficiently perform its duties and responsibilities under this Agreement. In addition to the obligations imposed on Operator elsewhere in this Agreement, Operator hereby agrees to do the following:

5.1.1 Operator shall operate the Complex in the same manner as is customary and usual in the operation of similar facilities, so as to adhere to the following objectives:

(a) The Complex shall at all times be used for the benefit, recreation and entertainment of the general public; and

(b) To the extent consistent with such use and enjoyment by the general public, all reasonable efforts shall be made to sustain and enhance the revenue-producing capacities of the Complex. Operator shall also use all reasonable efforts to use Alameda County vendors, contractors, workers, concessionaires, and suppliers, and to encourage all of its licensees and contractors to do the same.

5.1.2 Operator shall perform all obligations specifically imposed on Operator under the Existing License Agreements, the Raiders Agreements, and all other License

Agreements in effect during the Term of this Agreement. Pursuant to this Agreement, Operator shall have full right, power and authority to perform each and every obligation imposed on it under the terms of the Existing License Agreements and the Raiders Agreements.

5.1.3 Operator shall impose and enforce such financial terms for and rules and regulations governing the use of the Complex as may be established by JPA from time to time.

5.1.4 Operator shall delegate to the Chief Executive Officer the power to employ, promote, discharge and otherwise supervise and control the work of all management, maintenance and service personnel needed to discharge Operator's duties under this Agreement.

5.1.5 Operator shall enter into contracts in its own name (or, with JPA's written permission, in the name of Owners, JPA or any one of them) for the furnishing to the Complex of electricity, gas, water, telephone, security, cleaning and janitorial service, elevator and boiler maintenance, air conditioning maintenance, laundry service, equipment maintenance and service agreements, and such other utilities and services as may be required for the proper and orderly management and operation of the Complex.

5.1.6 Operator shall make or install, or cause to be made or installed, through a schedule of preventive maintenance and a supervisory program, all necessary or desirable routine repairs, renewals, alterations and additions, including Capital Expenditures, to the Improvements and the Equipment; provided, however, that the same must be included in the Budget or specifically approved in writing in advance by the JPA.

5.1.7 Operator shall purchase all supplies and materials regularly used and consumed in the maintenance and operation of the Complex to the extent the same are not provided by Licensees under the License Agreements.

5.1.8 Operator shall obtain and maintain all licenses and permits required of Operator in the management and operation of the Complex. JPA agrees to promptly execute and deliver any and all applications and other documents and to otherwise cooperate to the fullest extent with Operator in applying for, obtaining and maintaining all such permits and licenses.

5.1.9 Operator shall make available to prospective Licensees services equivalent to those customarily

offered or provided by operators of facilities of comparable standing and class as the Complex.

5.1.10 In consultation with JPA, Operator shall take all such actions as are necessary or appropriate to enforce the rights and remedies granted to Operator under the License Agreements; provided, however, that except with the prior consent of JPA, Operator shall not commence any litigation or arbitration proceedings against Athletics, Warriors or Raiders or exercise any right of termination or rescission under the terms of the Athletics License Agreement, Warriors License Agreement or Raiders Agreements.

5.1.11 Operator may engage or contract with such persons as it may deem necessary to perform Operator's obligations pursuant to this Agreement. These persons shall be supervised by the Chief Executive Officer.

5.1.12 Operator shall procure and at all times maintain in full force and effect during the Term of this Agreement the insurance coverages and policies required by Section 17 of the Operating License, Master Lease and Reimbursement Agreement. Operator shall provide evidence of such insurance to JPA and the Bank.

5.2 Duties of JPA. In addition to the obligations imposed on JPA elsewhere in this Agreement, JPA hereby agrees to do the following:

5.2.1 JPA shall pay before delinquency any and all taxes, excises, assessments and governmental charges of every kind and nature now or hereafter levied or assessed upon or against the Real Property, the Improvements, the Equipment, or upon or against any other estates or interests in or to the Complex (excluding, however, Operator's interest under this Agreement), or upon or against any rents, issues or profits derived from the ownership, lease, license and operation of the Complex.

5.2.2 The JPA shall, with notice to and advice of the Operator, employ, engage or contract with a Chief Executive Officer who is qualified to carry out the duties and responsibilities of chief executive officer of Operator. The Chief Executive Officer shall serve at the pleasure of the JPA, shall report to Operator's Board of Directors with respect to the operations of the Complex, and shall report to the JPA with respect to major financial transactions, licensing and franchising of major tenants, major labor issues, capital projects, and other matters as directed by the JPA. The Chief Executive Officer shall be compensated by Operator as directed by

the JPA. The Chief Executive Officer shall not be a member of Operator's Board of Directors.

5.3 Indemnification and Quiet Enjoyment

5.3.1 JPA shall indemnify, defend and hold Operator harmless from and against any and all claims, demands, actions and causes of action, of every kind and nature (including reasonable legal fees and expenses), arising due to any acts or omissions of JPA with respect to the ownership, use and occupancy of the Complex.

5.3.2 Operator shall indemnify, defend and hold JPA harmless from and against any and all claims, demands, actions and causes of action, of every kind and nature (including reasonable legal fees and expenses) arising due to any acts or omissions of Operator with respect to the Operator's operation, management, maintenance and control of the use of the Complex.

5.3.3 Except as provided herein, so long as Operator is not in default under this Agreement, JPA shall protect and preserve Operator's quiet enjoyment of all rights and interests granted to Operator under this Agreement, free and clear of any person or entity claiming an adverse right or interest by or through JPA or by title paramount to that of JPA.

6. FISCAL MATTERS

6.1 Payments to Depositary. During the Term, Operator shall deposit within one (1) day of receipt all Gross Receipts with the Depositary. Operator shall direct Depositary to place all such Gross Receipts in the Revenue Fund. All monies deposited in the Revenue Fund shall, to the extent available, be disbursed, allocated and applied for the uses and purposes set forth in this Section 6.1. The Depositary shall transfer from the Revenue Fund the following amounts at the times and in the manner set forth in this Section 6, and shall deposit such amounts in the following order of priority in the following respective funds, each of which shall be disbursed and applied as hereinafter authorized:

6.1.1 During each Fiscal Year of the Term, Operator shall maintain with the Depositary an Operating and Maintenance Fund in an amount equal to one hundred ten percent (110%) of the Operating and Maintenance Expenses and Capital Expenditures as set forth in the Budget for the current Fiscal Year. Funds in the Operating and Maintenance Fund shall be used by Operator for the payment of Operating and Maintenance Expenses and Capital Expenditures during any period in which the funds

available from operations are insufficient to pay the Operating and Maintenance Expenses and Capital Expenditures of the Complex.

6.1.2 After meeting the requirements of Section 6.1.1 above, Depositary shall deposit any funds then remaining in the Revenue Fund into the Reserve Fund. Funds held in the Reserve Fund shall be disbursed by Depositary upon the order of JPA and upon its request during any Fiscal Year to pay debt service on the Bonds, other Complex related debt or Operating and Maintenance Expenses.

6.1.3 All monies in the Revenue Fund, the Operation and Maintenance Fund and the Reserve Fund shall, at JPA direction, be physically segregated between those monies generated from the operation of the OACC Stadium and those generated from the operation of all other portions of the Complex. Disbursements from such segregated funds should reflect the Operating and Maintenance Expenses and Capital Expenditures attributable to operating the portion of the Complex from which the Gross Receipts in the fund were generated, to the maximum extent possible. With prior consent of JPA, to the extent any segregated fund is depleted at a time when a disbursement is required, the other segregated fund may be utilized for the disbursement.

6.2 Budget and Management Plan. At least ninety (90) days before the beginning of each Fiscal Year, Operator shall prepare and deliver the Budget and Management Plan to the JPA. Operator shall prepare the Budget on the basis of Operator's experience with revenue and expenses during the Complex's operating history and shall reflect in the Budget each of the following: (a) any proposed changes in the financial terms for use of the Complex previously established by the JPA (as distinguished from those established by Licensees) for the preceding Fiscal Year; and (b) any Capital Expenditures Operator is required or proposing to make during the Fiscal Year to properly operate and maintain the Complex, as well as any such expenditures which are required under the terms of any License Agreements. Operator shall prepare the Management Plan setting forth Operator's goals and objectives (including staffing, capital construction, and other matters as directed by the JPA) for the next Fiscal year. The goals and objectives shall be stated in sufficient detail that Operator's performance of them may be evaluated by the JPA. Operator shall deliver a copy of each Budget and Management Plan to the JPA. JPA shall review each Budget and Management Plan and make such recommendations with respect thereto as it may deem advisable or as it has been directed by the Owners. Such recommendations shall be delivered to Operator at least forty (40) days before the commencement of the Fiscal Year corresponding to such Budget and Management Plan,

and upon receipt thereof, Operator shall revise the Budget and Management Plan to conform to all recommendations of JPA and shall provide a copy of such revised budget and Management Plan to the JPA at least ten (10) days before the commencement of the Fiscal Year.

6.2.1 To the extent Capital Expenditures are included in the Budget, JPA shall pay to Operator the amount of such Capital Expenditures during the Fiscal Year corresponding to such Budget at such times as are reflected in the Budget.

6.2.2 Operator shall invest, or cause Depository to invest, all its funds and accounts only in accordance with an investment policy previously adopted by Operator and approved by the JPA.

6.3 Statements, Books and Records. Within ten (10) Business Days after the end of each calendar month during the term of this Agreement, Operator shall render to JPA a correct, detailed and complete written statement showing all Gross Receipts and Operating and Maintenance Expenses and Capital Expenditures in, on, about or from the Complex during such calendar month. Each such statement shall be signed by Operator's executive officers or their designee, who shall certify that such statement is true and correct and that no expenditures have been made except those included in the Budget or those otherwise specifically approved by the JPA. During the Term, Operator shall keep full, true and accurate books, records and accounts at all times of the Gross Receipts, the Operating and Maintenance Expenses and Capital Expenditures of the Complex, and of such other matters as may be required by JPA. JPA, the Bank and their authorized employees and representatives shall at all times have the right to inspect, examine and audit all books, records and accounts maintained by Operator. Authorized representatives may include independent consultants hired and paid by the JPA or the Bank.

6.4 Deficit Funding. If during the Term, the current Operating and Maintenance Expenses and Capital Expenditures exceed the monies then available in the Operation and Maintenance Fund, Operator shall promptly notify the JPA of the deficit and the JPA shall promptly pay to Operator the amount of such deficit to be deposited to the Operation and Maintenance Fund for the payment of such Operating and Maintenance Expenses or Capital Expenditures.

6.5 Revision of Rates and Charges. Should financial terms, established by JPA for the operation of the Complex for any Fiscal Year during the Term be such as to prevent the payment of Operating and Maintenance Expenses to be made out of Gross

Receipts, or if requested to do so by Owners, JPA and Operator shall agree upon and select an independent firm of consultants to review and recommend such changes to the financial terms as, in the opinion of such consultants, would enable the payment of Operating and Maintenance Expenses to be made out of Gross Receipts. Upon receipt and acceptance of such recommendations, JPA may, at its option, revise the financial terms. The cost of any study made by such consultants shall be paid from the Operation and Maintenance Fund and shall constitute Operating and Maintenance Expenses.

6.6 JPA may provide a lien (by perfecting a security interest) in the segregated OACC Stadium funds maintained in accordance with Section 6.1.3 to secure its obligations to the Bank. Operator will execute any agreements, assignments, financing statements or notices required by Bank to perfect such security interest.

7. TERM

7.1 Commencement of Term. This Agreement shall become effective, and the Term shall commence, on the Effective Date and the Term shall end ten (10) years thereafter, subject to earlier termination as provided in this Section 7. The parties may extend the Term by mutual written agreement for any additional period.

7.2 Termination by Operator. Operator may terminate this Agreement upon six (6) months prior notice to JPA or ten (10) days prior notice to JPA in the event JPA fails to meet its obligations under Section 6.4 and thereupon be relieved of any further duties or responsibilities under this Agreement and JPA shall thereafter assume all such duties and responsibilities of Operator and indemnify and hold Operator harmless in connection therewith.

7.3 Payment Upon Termination. Within five (5) days following termination of this Agreement for any reason, Operator shall pay or shall cause Depositary to pay to JPA or its designee, any Gross Receipts that have not been disbursed to the Depositary, and all amounts in the Revenue Fund, Operation and Maintenance Fund, and Net Revenue Fund.

7.4 Termination by JPA. Subject to any existing agreement with AIG, a limited liability company, as purchasers of the Oakland A's, and upon written direction from both the City of Oakland and County of Alameda based on a determination by both City Council and County Board of Supervisors that Operator has not properly carried out its responsibilities pursuant to this Agreement, JPA may terminate this Agreement upon six (6) months

prior notice to Operator, and thereupon Operator shall be relieved of any further duties or responsibilities under this Agreement and JPA shall thereafter assume all such duties and responsibilities of Operator and indemnify and hold Operator harmless in connection therewith.

8. RESERVATION OF CERTAIN RIGHTS

8.1 Reservation by JPA. Notwithstanding any provision to the contrary in this Agreement, Operator hereby acknowledges and agrees that there shall be excluded from any license granted to Operator pursuant to this Agreement the right to license certain seating at the OACC Stadium for Football Events and the right to receive certain revenues from such licensing as well as from certain other revenues associated with Football Events, in accordance with the terms of this Section 8. Operator acknowledges that, if an event of default by JPA occurs under any agreement between the JPA and the Bank, the Bank may appoint a receiver or operator to assure all rights and obligations of Operator hereunder.

8.2 Effective Period of Reservation. The reservation of rights set forth in this Section 8 shall be effective throughout the term of the Raiders' License Agreement as such term may be extended.

8.3 Rights Reserved. The parties hereto agree that the rights granted to Operator pursuant to this Agreement shall not include, and JPA expressly reserves to itself, certain rights to license and receive proceeds associated with Seat Rights as defined in the Raiders Agreements.

9. GENERAL PROVISIONS

9.1 Operator Governance. Operator shall amend its bylaws on or before January 1, 1996 to conform to the provisions of this agreement. The Mayor of the City and the County Board of Supervisors shall each appoint two members to the Operator's ten person board of directors in January 1996. One of the members appointed by the City and one of the members appointed by the County shall serve for two-year terms and the remaining two shall serve for four-year terms. After the initial terms, City and County members shall all serve for four-year terms. No such member shall during his or her term as a director also be a member of the City Council or Board of Supervisors or an employee of the City or County. Board positions not appointed by the City and County shall be appointed by the vote of all incumbent board members. The membership of the board should reflect the geographic and ethnic diversity of the County. Vacancies on the board shall be filled for the unexpired term by the appointing

authority. No board member shall serve more than 10 consecutive years. The term of any board member who shall as of January 1, 1998, have served more than 10 consecutive years shall automatically expire on January 1, 1998. Board officers of Operator shall be elected by vote of the majority plus one of the total number of authorized directors for one (1) year terms and shall not serve more than two consecutive terms in such office. City and County members shall provide monthly written reports to their respective appointing authorities. The JPA, City and County shall have the right to designate representatives who shall have the right to attend and participate in all non-executive sessions of the Operator's board. At least one City or County member shall be appointed to each committee to which board members are appointed. One member of the board shall be appointed as liaison to the JPA.

9.2 Notices. All notices required or permitted to be given under this Agreement shall be in writing and shall be delivered: (a) personally to the office of the intended recipient; or (b) by depositing same in the United States mail, postage prepaid, registered or certified, return receipt requested, addressed to the intended recipient at the address set forth below, or such other address as said party has theretofore specified by written notice delivered in accordance with this paragraph; or (c) by depositing same with Federal Express or a similar overnight courier service guaranteeing overnight delivery, addressed as provided in clause (b) above.

Operator: Oakland-Alameda County Coliseum, Inc.
7000 Coliseum Way
Oakland, CA 94621
Attn: President

JPA: Oakland-Alameda County Coliseum Authority
City of Oakland
One City Hall Plaza
Oakland, CA 94612
Attn: City Manager

With copies to:

City: City of Oakland
One City Hall Plaza
Oakland, CA 94612
Attn: City Manager

County: County of Alameda
1221 Oak Street
Oakland, CA 94612
Attn: County Administrator

- 17 -

October 17, 1995

Any notice delivered personally shall be deemed properly delivered on the date of delivery; any notice delivery by overnight courier shall be deemed delivered one (1) business day after the deposit of such notice with the courier service; and any notice delivered by mail shall be deemed delivered on the earlier of the third day following deposit thereof in the United States mail or on the delivery date shown on the receipt prepared in connection therewith.

9.3 Attorneys' Fees. If any action or proceeding (including arbitration) is brought to enforce or interpret this Agreement, the party prevailing in such action or proceeding

OPERATOR

Oakland-Alameda County Coliseum, Inc.,
a California nonprofit public
benefit corporation

By:

George J. Vukasin
President

JPA

Oakland-Alameda County Coliseum Authority,
a joint powers authority

By:

Susan S. Muranishi
Chair

Approved:

City of Oakland
a municipal corporation

By:

City Manager

County of Alameda
a political subdivision of
the State of California

By:

President, Board of Supervisors

October 17, 1995

U.C. BERKELEY LIBRARIES



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